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ETHICS IN MARKETING DECISIONS: CROSS-CULTURAL DIFFERENCES
BETWEEN HONG KONG AND VANCOUVER

by

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ABSTRACT

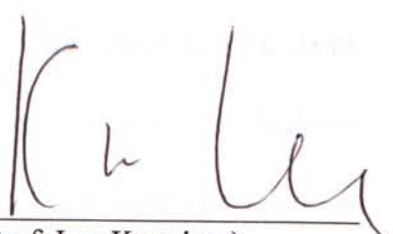
The study covered a questionnaire survey and analysis of the effects of the constructs of Collectivism, Relativism and Individualism on ethical decision making. The study also examined the perceived ethical problem and the ethical decision making among MBA students in Hong Kong and 22 females from The Chinese University of Hong Kong.

APPROVAL

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Hong Kong and Vancouver


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ABSTRACT

This study covered a questionnaire survey and explored the effect of the constructs of Idealism, Relativism and Individualism-Collectivism on ethical marketing decision in terms of perceived ethical problem and ethical decision making, among 66 MBA students (44 male and 22 female) from The Chinese University of Hong Kong (CU) and University of British Columbia (UBC). The analyses indicated that Relativism was related to ethical problem perception and ethical decision making while Idealism was related to ethical decision making. CUMBA subjects was significantly lower in one of the perceived ethical problem measures but higher in one of the ethical decision making measures than UBCMBA subjects. However, CUMBA subjects were more idealistic and relativistic than UBCMBA subjects. Contrary to common expectation, UBCMBA subjects were more collectivistic than CUMBA subjects. It was concluded that the construct of Individualism-Collectivism was not related to Idealism and Relativism and not a determinant factor in ethical marketing decision making process.

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CHAPTER I

OBJECTIVE AND SCOPE OF STUDY

Research on ethical problems in marketing has hardly been a neglected area. Murphy and Laczniak (1981) listed out several streams of research dealing with the subject. First, some writers have attempted to show the relevance to marketing of formal ethical theories from philosophy. Second, some authors have attempted to develop models of ethical decision-making in marketing. The third stream of research studies the mutual responsibilities of marketing research agencies and their clients. The fourth stream of research investigates the responsibilities of marketing researchers to their respondents and subjects. The fifth stream of research identifies the actions that corporate top management can take to help their employees make decisions in a more ethical fashion. The most popular and final stream of research examines specific practices within marketing and attempts to determine the extent to which various groups view the practices as being either ethical or unethical. These practices can be within the areas of advertising, marketing research, marketing management, sales, or social marketing.

The main purpose of this study was to explore the cross-national nature of marketing ethics decisions. In particular, the objective was to compare MBA students in Hong Kong with MBA students in Vancouver, Canada in terms of ethical perceptions and ethical marketing decision. Murphy and Laczniak (1981) pointed out that ethical issues tend to increase as more firms move into multinational marketing. Therefore, many researchers had carried out cross-cultural studies in marketing ethics (Tsalikis and Fritzsche, 1989). However, Lee (1981) was the only cross-cultural study in business ethics that had culture as its focal variable. As Singhapakdi et al. (1994) also pointed out,

the cross-cultural ethics studies conducted tend to focus mainly on behaviour or intention and not on the cognitive components or the psychological factors underlying ethical decision-making processes.

The cognitive component and the psychological factor chosen in this study were Relativism-Idealism (Forsyth, 1980) and Individualism-Collectivism (Hui, 1988) respectively. Relativism-Idealism was argued as the most parsimonious predictor of moral judgment by Forsyth. Individualism-Collectivism was, according to Hofstede (1984), one of the four dimensions that explained most variances among cultures. Specifically, it investigated the relative influences of Relativism-Idealism and Individualism-Collectivism on the ethical perceptions of the MBA students. These two constructs were treated as mediator variables between the independent variable (different cultures) and dependent variable (ethical perception). Their effects as facilitators or moderators were checked. The link between ethical perceptions and ethical marketing decision was also examined as well.

Past cross-cultural studies in ethical marketing decision-making just labeled the studied groups as either individualistic or collectivistic and used as independent variable (e.g. Singhapakdi et al., 1994; Singhapakdi et al., 1996; Vitell et al., 1993). Actually, there are large variations in IC even within an individualistic or collectivistic culture (Triandis et al., 1986). In this study, the above deficiency was removed since the IC construct of the subjects was measured.

This study examined the ethical decision-making process of MBA students in Hong Kong and Vancouver, Canada. Due to the hand-over of the Hong Kong to China in 1997, many Hong Kong people had emigrated to foreign countries during the 80's and 90's. Vancouver in Canada was one of the most favourite places of migration for Hong Kong

people. Therefore, it was most relevant for Hong Kong companies to check the differences between people from these two economies.

LEADER TOPIC REPORT

Absence of a clear consensus about what is considered to be ethical by the Hong Kong people lead to deleterious results for a business involved in the export activity. The business marketing decisions can have significant personal, organizational, and societal impacts (Garrard & Murphy, 1985). In terms of personal ethics, the one who makes the marketing decision can be held personally responsible for any unethical behavior he or she engages in the business, the organization and the society as a whole. In addition, there are several major societal costs that can be incurred by the business if unethical practices are used. First, it is damage to the reputation of the business. Second, it is an increase in the cost of doing business. Third, it is a loss of trust in the business by the public and the government.

On the other hand, absence of a clear consensus among the Hong Kong business marketers has resulted in much confusion among consumers. It can be said that ethical values. The situation is complicated by the facts that cultural standards are constantly changing and that they vary from one situation to another and from one individual to another. Individuals have different perceptions of what is ethical and what is not ethical. They have different frameworks to make decisions. While it is true that there are some common ethical values which are ultimately defined as ethical values by the majority of the people.

Ethical issues in international marketing

Businesses, especially those multinational corporations, have been accused of unethical practices in international dealings since international trade began (see e.g. Frazer, 1991). Marketing activities have been central to the success of many multinational

CHAPTER II

LITERATURE REVIEW

Absence of a clear consensus about what is ethical conduct for marketing managers may lead to deleterious results for a business (Ferrell & Gresham, 1985). Unethical marketing decisions can have significant personal, organizational, and societal costs (Laczniak & Murphy, 1985). In terms of personal costs, the one who makes the unethical decision can be held personally liable. When unethical practices become known to the public, the organization will likely endure economic penalties. In addition, there are several major societal costs. First, victims are usually involved in most unethical practices. Second, there is damage to the workings of economic system. Third, the confidence the public has in the profession of marketing erodes.

On the other hand, absence of a clear consensus about ethical conduct among marketers has resulted in much confusion among academicians who study marketing ethics. The situation is complicated by the facts that ethical standards are constantly changing and that they vary from one situation / organization to another. In addition, individuals have different perceptions of ethical situations and use different ethical frameworks to make decisions. What are the determinants of decision-making behavior which is ultimately defined as ethical/ unethical by participants and observers?

Ethical issues in international marketing

Businesses, especially those multinational corporations, have been accused of unethical practices in international dealings since international trade began (Ferrell & Fraedrich, 1991). Marketing activities have been central to international trade and thus

have been the focus of the criticism concerning unethical behavior (Fritzsche, 1985). All the four P s in marketing are not exempted.

For the first P, Product, marketing has been criticized for offering harmful products to underdeveloped countries. These products may be banned in the developed countries or are unsuitable for use in developing countries. For the second P, Promotion, marketing has also been criticized for misleading or confusing the people in the target foreign market. For the third P, Place (Distribution), firms have been accused of payoffs used to buy their way into the country's distribution network or production facilities. For the fourth P, Pricing, numerous companies have been charged with dumping their products in other countries at a price below production costs.

Safeguards for ethical behaviors

Many marketing organizations have not ignored the ethical problems in the marketing profession. They have taken many safeguards to eliminate or reduce the incidence of ethical problems. Some of them are marketing ethics committees, ethics advisors, ethics judiciary boards and top management actions. Besides these, codes of ethics have been utilized by a majority of major organizations. IBM is one of the organizations that has sections of the corporate codes that deal with specific marketing practices. Usually, codes of ethics contain a wealth of information and guidelines concerning various marketplace behaviors. Chonko (1995) found the following areas which are usually covered in the codes of ethics: corporate relations to employees, interemployee relationships on ethics, whistle blowing, effects of organization on the environment, bribery, insider information, conflicts of interests, antitrust laws, accounting, customer relations and political activities and contribution.

Codes of ethics reflect a nominal commitment to a proprietary operating standard by the organization (Laczniak & Murphy, 1985). They also provide managers with some useful operational guidelines for ethical decision making. In addition, Chonko (1995) listed the benefits of the existence of the codes of ethics in organization. Firstly, codes of ethics allow marketers to identify acceptable business practices for their organizations. Secondly, they help marketers to inform others that they intend to conduct business in an ethical way. Thirdly, they can be an effective internal control on behavior. Fourthly, written codes help marketers avoid confusion in determining what is ethical. Finally, organizations with high ethical standards in turn generate greater drive and effectiveness, attract high-caliber people and develop better customer relations.

Ethics training and seminars are often used by some organizations to assist them in dealing with ethical problems. The purpose of these educational modules would be to sensitize the marketers to ethical problems specific to the company's operation and to imbue management with increased ethical awareness (Chonko, 1995; Laczniak & Murphy, 1985). Actually, the overriding purpose of such modules does not provide answers to ethical questions because there often are no definitive answers to ethical dilemmas but some instruction to marketers on systems of moral reasoning and ethical thought (Laczniak & Murphy, 1985). Chonko (1995) also listed the benefits of having ethics training and seminars in organizations. Ethics training and seminars help organization establish the recognition of the ethical components of business decisions. They also help the marketers legitimize the consideration of ethics as part of decision making. In addition, they avoid variability and ambivalence in decision making. The most important of all, they provide decision-making frameworks for analyzing ethical issues and help employees to apply such frameworks (Jansen & Von Glinow, 1985).

Deontological vs. teleological philosophical approaches

Many marketing decisions involve ethical considerations. Murphy and Laczniak (1981) pointed out almost all normative ethical theories in moral philosophy can be classified as either deontological or teleological. The fundamental difference is that deontological theories focus on the specific actions or behaviors of an individual, whereas teleological theories focus on the consequences of the actions or behaviors. (Ferrell & Gresham, 1985; Hunt and Vitell, 1986; Mayos and Marks, 1990). In other words, the key issue in deontological theories is the inherent righteousness of a behavior, whereas the key issue in teleological theories is the amount of good or bad embodied in the consequences of the behaviors.

Previous studies have identified ethical decisions as being influenced by both general deontological norms and specific marketing-related norms (Hunt and Vitell, 1986 & 1993). Hunt and Vaquez-Parraga (1993) found that their subjects relied primarily on deontological factors (vs. teleological factors) in forming ethical judgments and intentions.

The idealism/ relativism paradigm developed by Forsyth (1980, 1992) is parallel to the two dimensions of personal philosophies- deontological/ teleological. In other words, idealism should be highly related to deontological norm whereas relativism, like teleology, should be counter to these norms (Vitell et al., 1993).

Relativism and Idealism

Schlenker and Forsyth (1977) suggested that individual variations in approaches to moral judgment may be described most parsimoniously by taking into account two basic factors. The first is the extent to which the individual rejects universal moral rules in favor of relativism. Some individuals reject the possibility of formulating or relying on universal moral questions, whereas others believe in and make use of moral absolutes when making

judgment. The second major dimension underlying individual variations in moral judgments focuses on idealism in one's moral attitudes. In other words, idealistic individuals assume that desirable consequences and "right" action can always be obtained. Relativistic individuals admit that undesirable consequences will often be mixed with desired ones.

When these two dimensions are dichotomized and crossed, they yield the 2 X 2 classification of ethical ideologies model. The taxonomy indicates that individuals may adopt one of four different approaches to making ethical judgments (situationism, absolutism, subjectivism, and exceptionism) and that inclusion into one of these groups is determined by whether a person espouses idealistic or non-idealistic values and believes moral rules are universal or relative. In other words, the model assumes individuals can range from high to low in their emphasis on principles and in their emphasis on consequences (Forsyth, 1980 & 1992).

Situationism

Individualists who adopt universal moral principles (high relativism) but still insist that one should produce positive consequences that benefit all involved (high idealism) are termed situationists.

Subjectivism

Subjectivists reject moral rules (high relativism) but they are not particularly positive about the possibility of achieving positive outcomes (low idealism) for everyone concerned.

Absolutism

Absolutists believe that one should strive to produce positive consequences (high idealism) but at the same time maintain strict adherence to general moral principles (low

relativism). These individuals condemn certain actions because they harm people and violate fundamental moral absolutes.

Exceptionism

Exceptionists rely on moral principles as guidelines for action (low relativism) but pragmatically admit that judgments should be made by balancing the positive consequences of an action against the negative consequences of an action (low idealism).

Individualism-Collectivism (IC)

Hofstede (1984) defined individualistic cultures as being those societies where individuals are primarily concerned with their own interests and the interests of their immediate family. Individualistic cultures place a high importance on the “self”. Collectivist cultures, in contrast, assume that individuals belong to one or more “in-group” (e.g., extended family, clan, or other organization) from which they cannot detach themselves. The “in-group” protects the interest of its members, and in turn expects their permanent loyalty. In other words, individuals from collectivistic cultures are more likely to think in terms of “we” as opposed to “I”. A collectivist society is tightly integrated; an individualist society is loosely integrated. The cultural dimension of Individualism-Collectivism may influence the individual’s perception of ethical situations, norms for behavior, and ethical judgments, among other factors (Vitell et al., 1993).

However, there were different definitions of this construct. Waterman (1984) described individualism in terms of four positive psychological characteristics: sense of personal identity, self-actualization, internal locus of control, and principled moral reasoning. In contrast, Hogan (1975) and Lasch (1978) had negative views of it. The disorderliness in defining the construct was eased by Hui and Triandis (1986). They defined collectivism as a syndrome of attitudes and behaviors embodied in consideration of

implication of one's own decision and/ or actions for other people, sharing of material resources, sharing of nonmaterial resources, susceptibility to social influences, self-presentation and face-work, sharing of outcomes, and feeling of involvement in others' lives. On the other hand, individualism is absence of the above.

Besides being a cultural variable, IC is also a psychological variable that can be measured within culture at the individual level. Hui (1988) developed a paper-and-pencil instrument, called the Individualism-Collectivism (INDCOL) scale. The original INDCOL scale was built on the assumption that IC is target specific. It implied that a person might conceivably behave in a collectivist manner toward one and yet not so toward another. The relevant target groups included: spouse, parents, kin, neighbors, friends, and colleagues and the INDCOL scale was consisted of these six subscales.

Collectivism can also be understood as a person's feelings, emotions, attitudes, ideologies, self-concepts and actions related to the belief that the basic unit of survival lies not in an individual but in a collective (Hui et al., 1991). As a result, collectivists have strong needs for affiliation, succourance, abasement and nurturance. On the other hand, individualists have strong needs for autonomy and deference (Hui & Villareal, 1989).

Use of Scenarios

Scenarios were commonly used as part of research instruments in marketing ethics studies (Malinowski & Berger, 1996; Okleshen and Hoyt, 1996; Singhapakdi and Vitell, 1990; Singhapakdi et al., 1994). The use of scenarios is considered to be a good solution to improve the quality of data from questionnaires. According to Alexander and Becker (1978), a scenario "helps to standardize the social stimulus across respondents and at the same time makes the decision-making situation more real" (p. 103). However, Hunt and

Vitell (1986) claimed that it is extremely important that any situations or scenarios used in the study of marketing ethics be perceived as having ethical content.

Culture, ethical perception and ethical decision making

Singhapakdi et al. (1994) noted that culture is generally recognized as one of the most important factors influencing ethical decision making in marketing ethics theories. Ferrell and Gresham (1985) and Ferrell et al. (1989) specified cultural environment as a background variable of ethical decision making in marketing. Hunt and Vitell (1986, 1993) also listed cultural environment as one of the factors directly influencing various components of the marketing ethical decision process. However, neither these theoretical conceptualizations of ethical decision-making nor subsequent empirical investigations tell us how culture influences ethics and ethical decision-making (Vitell et al., 1993).

On the other hand, Hunt and Vitell (1986 & 1993) depicted that “perceived ethical problem” as a catalyst of the ethical decision-making process of marketers. Many researchers agreed with the mechanism and carried out their studies (e.g. Singhapakdi et al., 1994; Singhapakdi et al., 1996; Vitell et al., 1993).

Unlike the other studies (e.g. Singhapakdi et al., 1994; Vitell et al., 1993), the differences in perceived ethical problem and ethical decision making were not explained by national differences. Instead, differences in perceived ethical problem and ethical decision making in this study were accounted by the levels of relativism, idealism and collectivism of the subjects.

According to Vitell et al. (1993), they showed that the process can be a high quality individualism will be less likely to take into consideration formal and informal professional

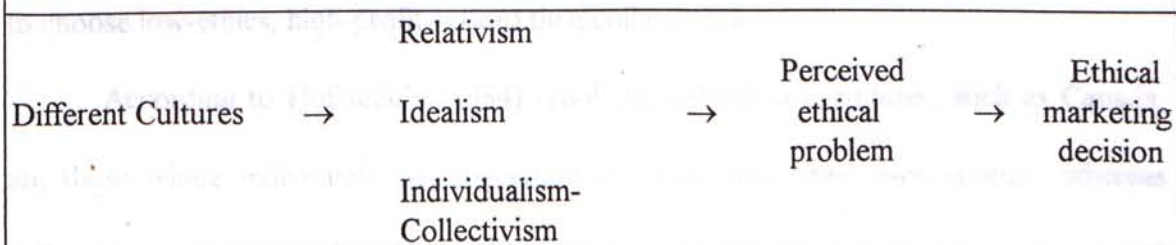
CHAPTER III

THEORETICAL CONSTRUCT OF STUDY

Are there any wide variations in ethical or moral judgment between different cultures? That is, the same action that is judged to be morally “right” in one culture may be “wrong” in another. If there are such differences, what factors are accounted for such differences? A conceptual model of this study is represented in the figure below.

FIGURE 1

The conceptual model of the study



The effects of relativism, idealism and individualism-collectivism on ethical marketing decision process were studied. It was hypothesized that these factors are significant predictors of perceived ethical problem. In addition, relativism, idealism, individualism-collectivism and perceived ethical problem in turn were significant predictors of ethical decision making.

Unlike the other studies (e.g. Singhapakdi et al., 1994; Singhapakdi et al., 1996; Vitell et al., 1993), the differences in perceived ethical problem and ethical decision making were not explained by national differences. Instead, differences in perceived ethical problem and ethical decision making in this study were accounted by the levels of relativism, idealism and collectivism of the subjects.

According to Vitell et al. (1993), they developed the propositions that are high on individualism will be less likely to take into consideration formal and informal professional,

industry and organizational norms when forming their own deontological norms than business practitioners in countries that are high on collectivism. Following their approach, it was expected that individualists would be less likely to perceive ethical problems than collectivists.

Since Hunt and Vitell (1986 & 1993) depicted that “perceived ethical problem” as a catalyst of the ethical decision-making process of marketers, those who were less likely to perceive the presence of ethical problem would tend to make unethical decision. In this way, individualists would be “less ethical” in terms of their marketing decision (more likely to choose low-ethics, high-profit action) than collectivists.

According to Hofstede’s (1984) typology, individualist cultures, such as Canada, are those where individuals are concerned primarily with their own interest, whereas collectivists societies, such as Hong Kong, assume that individuals belong to an “in-group” such as an extended family or clan from which they cannot detach themselves. Therefore, it was expected that MBA students in Hong Kong would be more collectivistic (less individualist) than MBA students in Vancouver, Canada. Following the above deduction, it was expected that MBA students in Vancouver, Canada will be less likely to perceive ethical problems than MBA students in Hong Kong. In addition, MBA students in Vancouver, Canada would be “less ethical” in terms of their marketing decision (more likely to choose low-ethics, high-profit action) than MBA students in Hong Kong.

In comparing Canadian and Hong Kong marketers regarding their idealism and relativism, it was expected that Hong Kong marketers would place more importance on codes of behaviour (i.e. more idealistic) since they were more collectivistic. Similarly, they would be likely to be less relativistic than their Canadian counterparts. Actually,

Singhapakdi et al. (1993) had based on the same rationale and developed similar hypotheses on the subjects in their study.

Subjectivists reject moral rules but are not particularly positive about the possibility of achieving positive outcomes for everyone concerned. This position maintains that no moral judgments can be considered valid except in reference to one's own behavior. On the other hand, absolutists believe that one should strive to produce positive consequences but at the same time maintain strict adherence to general moral principles. These individuals condemn certain actions because they harm people and violate fundamental moral absolutes. Therefore, subjectivists should be the least alert while absolutists should be the most alert to ethical problems.

Using the same logic as above, it was expected that subjectivists would be "the least ethical" in terms of their marketing decision (most likely to choose low-ethics, high-profit action) while absolutists would be "the most ethical" in terms of their marketing decision (most likely to choose high-ethics, low-profit action).

Sample Characteristics

Characteristic		
Male	50.0%	25.0%
Female	50.0%	25.0%
Age	31.17 (6.17)	31.17 (6.17)
Years of Full-time working	10.00 (1.41)	10.00 (1.41)
Years of Residence	23.17 (6.00)	23.17 (6.00)
Married	67.9%	31.3%

Numbers in () are standard deviations

Procedure

In order to investigate the impact of different ethical orientations on the ethical marketing decision making process, between 200 and 300 students of a private and

CHAPTER IV

METHODOLOGY

Participants

Since this was a cross-cultural study between Vancouver and Hong Kong, the subjects were from the two different geographical regions. In Vancouver, the full-time and part-time MBA students at the University of British Columbia were recruited as subjects. Since the cultural background of the MBA students were diverse, only the North America Caucasians were given the questionnaire. All MBA students in University of British Columbia had at least one year full-time working experience. In Hong Kong, those full-time MBA students with working experience at The Chinese University of Hong Kong were recruited as subjects.

Table 1 shows the characteristics of the sample respondents by origin.

TABLE 1		
Sample Characteristics		
Characteristics	CUMBA	UBCMBA
Male	n = 20	n = 24
Female	n = 10	n = 12
Age	25.06 (1.38)	29.47 (5.50)
Years of Full-time working	2.00 (1.29)	5.57 (5.01)
Years of Residence	23.17 (6.06)	25.59 (7.95)
Married	6.7%	25.0%

Numbers in () are standard deviations

Procedure

In order to investigate similarities and differences in the ethical perceptions and the ethical marketing decision making process between the MBA students in Canada and

Hong Kong, questionnaires were administered at University of British Columbia in Canada and at The Chinese University of Hong Kong.

The MBA students in University of British Columbia received the questionnaires during class time. They returned the completed questionnaire to a questionnaire collection box. A total of 97 sets of questionnaire was distributed and 36 subjects returned the completed questionnaires (37.11% response rate). On the other hand, the full-time MBA students at The Chinese University of Hong Kong received the questionnaires in their mailboxes. A total of 42 qualified subjects were targeted and given the questionnaires. Thirty subjects returned the completed questionnaires (71.43% response rate).

Measurements

Dependent Variables

Scenarios

The cases were modified from the material in the business ethics program of an international consulting firm (Arthur Andersen & Co.). The first case was related to advertising and induced the subjects to be in a dilemma scenario faced by a project manager at a consumer products company. The second case was related to product decision and induced the subjects to be in a dilemma scenario faced by a product manager at a furniture company. The final case was related to marketing research and induced the subjects to be in a dilemma scenario faced by a research analyst at a consulting firm.

Ethical Perception and marketing decision

After reading each case, "perceived ethical problem" and "marketing decision" of the subjects were measured. The first question was used to measure the "perceived ethical problem" and the exact wording was: Do you think that the situation described above involves an ethical issue or problem? Responses were measured by a seven-point scale

ranging from “not a problem” (score 1) to “a problem” (score 7). The second question was used to measure the exact “marketing decision” of the subjects. The subjects were required to choose either high-ethics, low-profit (score 2) or low-ethics, high-profit actions (score 1).

Due to time limitation, the subjects at the University of British Columbia were just given case 1. On the other hand, the subjects at The Chinese University of Hong Kong were given all three cases. There were two ways to calculate the perceived ethical problem and ethical decision making. First, their perceived ethical problem and ethical decision making scores were calculated by averaging their responses in the three cases and were treated as perceived ethical problem 1 and ethical decision making 1 scores. Second, their responses to case 1 were treated as perceived ethical problem 2 and ethical decision making 2 scores. For the subjects at the University of British Columbia, their responses to the two questions were treated as perceived ethical problem and ethical decision making scores. In other words, their perceived ethical problem 1 equaled to perceived ethical problem 2 scores while ethical decision making 1 scores equaled to ethical decision making 2 scores.

Independent Variables

The shortened Individualism-Collectivism scale (INDCOL)

Hui (1988) developed the original Individualism-Collectivism (INDCOL) scale which consisted of 63 items. Hui and Yee (1994) shortened the original scale to 33 items. Ratings were done on a 6-point scale (0 = strongly disagree, 5 = strongly agree). Higher scores imply more collectivistic. INDCOL scales were built on the assumption that collectivism is target specific. The relevant target groups found in the shortened INDCOL included: Colleagues and friends/ supportive exchanges (CF), Parents/ consulting and

sharing (PA), Kin and neighbors/ susceptibility to influence (KN), Parents and spouse/ distinctiveness of personal identity (PS) and Neighbor/ social isolation (NE). Accordingly, the shortened INDCOL scale was comprised of five subscales to measure these target-specific collectivism. In addition, CF, PA and PS could be summed and grouped as a higher factor Ingroup Solidarity whereas KN and NE were grouped as Social Obligation. The Cronbach's alphas found for CF, PA, KN, PS and NE subscales were .54, .45, .58, .38 and .73 respectively.

Therefore, there are three ways to measure the level of collectivism. First, all five subscales are summed to give a General Collectivism Index (GCI). Second, the two higher order factors, Ingroup Solidarity and Social Obligation can be used to measure the extent of collectivism tendency. Third, the scores of the five subscales can be used.

Ethics Position Questionnaire (EPQ)

Ethics Position Questionnaire (EPQ) was developed by Forsyth (1980). The EPQ consists of 20 items and is measured by 9-point agree-disagree scale. In order to lighten the burden on the subjects, Vitell et al. (1993) used the 5-point agree-disagree scale instead. In this study, the 5-point scale is used. The EPQ has two dimensions, idealism and relativism (i.e. 10 items for each dimension). The idealism scale measures one's acceptance of moral absolutes, whereas relativism measures the rejection of universal moral principles. The internal consistencies (Cronbach's alphas) reported for idealism and relativism were .80 and .73 respectively.

Both Hong Kong and Canada received the same language version (i.e. English) of questionnaire. The Hong Kong subjects are fluent Chinese-English bilinguals since they are at graduate level. In addition, English is the language medium used in their working environment. Moreover, the use of the same language version of questionnaire is to

reduce any confounding effects due to transliteral inequivalence of the same set of questionnaire.

Data Analysis Methods

Reliability analyses were conducted on the five subscales of INDCOL (i.e. CF, PA, KN, PS, NE). In addition, the same analyses were conducted on the idealism and relativism scales of EPQ.

Multiple regression analyses were conducted for the dependent variable perceived ethical problem 1 & 2. Idealism, relativism and GCI were first treated as predictors and entered by stepwise method. If GCI was not entered, multiple regression analyses were again performed on perceived ethical problem by replacing GCI of Ingroup Solidarity and Social Obligation. If Ingroup Solidarity and Social Obligation were still not entered, they were replaced by the five factors (CF, PA, KN, PS and NE).

Multiple regression analyses were also conducted for the dependent variable ethical decision making 1 & 2. Idealism, relativism, GCI and perceived ethical problem were first treated as predictors and entered by stepwise method. Additional multiple regression analyses were conducted and followed as shown in the above paragraph if GCI was not entered.

Frequency analyses were conducted on idealism, relativism, GCI, Ingroup Solidarity and Social Obligation scores. If their scores were higher than the respective medians, they were ranked as high level and vice versa. All the subjects were categorized in these dimensions. By this way, all the subjects can be classified as either collectivistic or individualistic subjects and into one of the following ethics positions: subjectivists, absolutists, situationists and exceptionists.

Oneway ANOVA were conducted on those continuous demographic variables such as age, years of full-time working experience and years of residence to compare the differences between the two groups of MBA students. If significant differences had been found, these demographic variables would have been treated as covariates in the subsequent ANOVA.

Since these two samples are from different places, oneway ANOVA were conducted on the dependent variables, ethical problem perception and ethical decision making and also idealism, relativism, GCI, Ingroup Solidarity and Social Obligation to check whether differences exist.

A series of oneway ANOVA were conducted on the dependent variables, ethical problem perception and ethical decision making. The independent variables chosen for analysis included cultural orientation (i.e. collectivistic or individualistic in terms of GCI, Ingroup Solidarity and Social Obligation) and ethics position (i.e. subjectivists, absolutists, situationists and exceptionists).

CHAPTER V

FINDINGS

Reliability

Table 2 shows intercorrelations and Cronbach's Alphas of the five subscales of INDCOL.

TABLE 2					
Intercorrelation and Cronbach's Alphas of the subscales of INDCOL					
	CF	PA	KN	PS	α
CF					.05
PA	.10				.48
KN	.38**	.25*			.68
PS	.10	.12	.21		.41
NE	.06	.06	.37**	.15	.79

*- $p < .05$; **- $p < .01$; $n=65$

The Cronbach's Alphas of the idealism and relativism scales of EPQ were found to be .70 and .73 respectively. The two scales were not significantly correlated.

Perceived Ethical Problem

For perceived ethical problem 1, idealism, relativism and General Collectivism Index (GCI) were found not to be significant predictors. They could not be entered into the multiple regression equation by stepwise method. Ingroup Solidarity and Social Obligation and the five factors (CF, PA, PS, KN and NE) were also not the significant predictors when they replaced GCI in the multiple regression analyses. In addition, all these predictors were not correlated significantly to perceived ethical problem 1.

For perceived ethical problem 2, relativism ($b = -.85$ and constant = 7.06) was found to be the only significant predictor in the multiple regression equation [Multiple $R =$

.34; $F(1,63) = 8.29$ and $p < .01$]. Idealism and GCI could not be entered into the equation by stepwise method. Ingroup Solidarity and Social Obligation and the five factors (CF, PA, PS, KN and NE) were also not the significant predictors when they replaced GCI in the multiple regression analyses. GCI ($r = .28$; $p < .05$), Social Obligation ($r = .27$; $p < .05$), KN ($r = .27$; $p < .05$) and relativism ($r = -.34$; $p < .05$) were correlated significantly to perceived ethical problem 2.

Ethical Decision Making

For ethical decision making 1, idealism ($b = .23$ and constant = .92) was found to be the only significant predictor in the multiple regression equation [Multiple $R = .33$; $F(1,63) = 7.56$ and $p < .001$]. Relativism and GCI could not be entered into the equation by stepwise method. Ingroup Solidarity and Social Obligation and the five factors (CF, PA, PS, KN and NE) were also not the significant predictors when they replaced GCI in the multiple regression analyses. In addition, perceived ethical problem 1 ($r = .25$; $p < .05$), relativism ($r = -.24$; $p < .05$) and idealism ($r = .35$; $p < .01$) were found to be correlated significantly with ethical decision making 1.

For ethical decision making 2, relativism ($b = -.26$ and constant = 2.49) was found to be the only significant predictor in the multiple regression equation [Multiple $R = .35$; $F(1,63) = 8.91$ and $p < .01$]. Idealism and GCI could not be entered into the equation by stepwise method. Ingroup Solidarity and Social Obligation and the five factors (CF, PA, PS, KN and NE) were also not the significant predictors when they replaced GCI in the multiple regression analyses. In addition, perceived ethical problem 2 ($r = .28$; $p < .05$), idealism ($r = .26$; $p < .05$) and relativism ($r = -.34$; $p < .001$) were correlated significantly to ethical decision making 2.

Categorization of the subjects

Table 3 shows the means, medians and standard deviations of idealism, relativism, GCI, Ingroup Solidarity and Social Obligation of all the subjects.

TABLE 3			
Scales Characteristics			
Scales	Mean	Standard Deviation	Median
Idealism	3.51	.56	3.60
Relativism	3.11	.63	3.10
GCI	94.97	14.23	98.00
Ingroup Solidarity	63.65	6.40	64.00
Social Obligation	36.33	10.66	33.00

Idealism and relativism ranges from 1 to 5; GCI ranges from 0 to 165; Ingroup solidarity ranges from 0 to 85; Social Obligation ranges from 0 to 75

Table 4 shows the categorization of the subjects in GCI, Ingroup Solidarity and Social Obligation and ethics position.

Table 4		
Categorization of the subjects		
Categories	CUMBA	UBCMBA
High-GCI	6	27
Low-GCI	24	8
High-Ingroup Solidarity	14	25
Low-Ingroup Solidarity	16	10
High-Social Obligation	6	27
Low-Social Obligation	24	8
Situationists	15	0
Subjectivists	4	16
Exceptionists	4	10
Absolutists	7	10

Table 5 shows the results of oneway ANOVA on age, years of living and full-time working by origin. Since significant difference were found for age and years of full-time working, they were treated as covariates in the subsequent ANOVA data analyses related to origin.

TABLE 5			
Oneway ANOVA on age, years of full-time work and residence by Origin			
Measures	CUMBA	UBCMBA	F-values
Years of Living	23.17 (6.06)	25.59 (7.98)	1.86
Yr. of full-time work	2.00 (1.29)	5.57 (5.01)	14.39**
Age	25.60 (8.58)	29.47 (5.35)	14.84**

Numbers in () are standard deviations; **- $p < .001$

Effects of Origin on Perceived Ethical Problem and Ethical Decision-Making

Table 6 shows the results of oneway ANOVA on perceived ethical problem and ethical decision making by origin. Both age and years of full-time work were found to be insignificant covariates.

TABLE 6			
Oneway ANOVA on Perceived ethical problem and Ethical decision making by Origin			
Dependent Variables	CUMBA	UBCMBA	F-values
Per. Eth. Problem 1	4.99 (.71)	4.75 (.27)	.14
Eth. Dec. Making 1	1.81 (.24)	1.64 (.49)	4.30*
Per. Eth. Problem 2	4.00 (1.41)	4.75 (.27)	4.58*
Eth. Dec. Making 2	1.73 (.45)	1.64 (.49)	1.08

Numbers in () are standard deviations; Perceived Ethical Problem 1 & 2 range from 1 to 7; Ethical Decision Making 1 & 2 range from 1 to 2; *- $p < .05$

Effects of Origin on Idealism, Relativism, GCI, Ingroup Solidarity and Social Obligation

Table 7 shows the results of oneway ANOVA on idealism, relativism, GCI, Ingroup Solidarity and Social Obligation by origin. Both age and years of full-time work were also found to be insignificant covariates in all ANOVA.

TABLE 7

Oneway ANOVA on GCI, Ingroup Solidarity, Social Obligation, Idealism and Relativism by Origin

Measures	CUMBA	UBCMBA	F-values
GCI	85.20 (11.66)	103.34 (10.42)	36.93**
Ingroup Solidarity	60.87 (6.25)	66.03 (5.59)	13.35*
Social Obligation	24.33 (8.58)	37.31 (8.44)	29.44**
Idealism	3.74 (.37)	3.32 (.62)	4.78*
Relativism	3.30 (.54)	2.96 (.67)	7.18*

Numbers in () are standard deviations; **- $p < .001$; *- $p < .05$

Effects of Cultural Orientation on Perceived Ethical Problem and Ethical Decision Making

Table 8 shows the results of oneway ANOVA on perceived ethical problem and ethical decision making by the levels of GCI.

TABLE 8

Oneway ANOVA on Perceived ethical problem and Ethical decision making by GCI

Dependent Variables	Low-GCI	High-GCI	F-values
Per. Eth. Problem 1	4.95 (1.06)	4.77 (1.53)	.30
Eth. Dec. Making 1	1.71 (.37)	1.75 (.43)	.16
Per. Eth. Problem 2	4.03 (1.58)	4.76 (1.54)	3.53
Eth. Dec. Making 2	1.66 (.48)	1.73 (.45)	.38

Numbers in () are standard deviations

Table 9 shows the results of oneway ANOVA on perceived ethical problem and ethical decision making by the levels of Ingroup Solidarity.

TABLE 9

Oneway ANOVA on Perceived ethical problem
and Ethical decision making by Ingroup Solidarity

Dependent Variables	L-Ingroup Solidarity	H-Ingroup Solidarity	F-values
Per. Eth. Problem 1	5.06 (.96)	4.72 (1.50)	1.09
Eth. Dec. Making 1	1.74 (.34)	1.72 (.43)	.06
Per. Eth. Problem 2	4.19 (1.44)	4.54 (1.68)	.74
Eth. Dec. Making 2	1.65 (.49)	1.72 (.46)	.29

Numbers in () are standard deviations

Table 10 shows the results of oneway ANOVA on perceived ethical problem and ethical decision making by the levels of Social Obligation.

TABLE 10

Oneway ANOVA on Perceived ethical problem
and Ethical decision making by Social Obligation

Dependent Variables	L-Social Obligation	H-Social Obligation	F-values
Per. Eth. Problem 1	4.91 (.98)	4.81 (1.58)	.09
Eth. Dec. Making 1	1.74 (.35)	1.72 (.44)	.05
Per. Eth. Problem 2	4.03 (1.53)	4.76 (1.58)	3.53
Eth. Dec. Making 2	1.69 (.47)	1.70 (.47)	.01

Numbers in () are standard deviations

Effects of Ethics Position on

Perceived Ethical Problem and Ethical Decision Making

Table 11 shows the results of oneway ANOVA on perceived ethical problem and ethical decision making by the categories of ethics position (i.e. subjectivists, absolutists, situationists and exceptionists). Scheffe post-hoc analyses showed that subjectivists were significantly lower than the other three groups in ethical decision making 1. However, Scheffe post-hoc analyses showed that subjectivists were only significantly lower than absolutists and exceptionists in ethical decision making 2.

TABLE 11

Oneway ANOVA on Perceived ethical problem and
Ethical decision making by Ethics Position

Dep. Variable	Situationist	Subjectivist	Exceptionist	Absolutist	F-values
Per.Et.Pro.1	5.18 (.58)	4.33 (1.64)	5.14 (1.03)	4.96 (1.43)	1.69
Et.De.Mak.1	1.91 (.15)	1.43 (.48)	1.83 (.36)	1.78 (.31)	6.26**
Per.Et.Pro.2	3.87 (1.41)	4.15 (1.63)	4.64 (1.34)	5.00 (1.73)	1.72
Et.De.Mak.2	1.73 (.46)	1.40 (.50)	1.84 (.36)	1.82 (.39)	4.16*

Numbers in () are standard deviations; *- $p < .05$; **- $p < .001$

CHAPTER VI

DISCUSSION

Reliability

For INDCOL, all subscales except CF achieved satisfactory internal consistency. Some subjects complained that the wordings of INDCOL were too difficult to comprehend. Moreover, it was found that the statements in CF subscales had the problem of “double statements”. In other words, subjects may feel positive to the front part but negative to the end part of the statement. Therefore, such a low value was found for the CF subscale.

Besides the above deficiency, the magnitudes of intercorrelations among the five subscales were similar to the ones in Hui and Yee (1994). If the above deficiency is improved, INDCOL should be a valid and reliable measurement in Individualism-Collectivism.

For EPQ, both scales demonstrated good internal consistency. The two scales were not correlated and the finding was consistent with figure in Forsyth (1980).

Perceived Ethical Problem

Contrary to the expected findings, idealism, relativism and collectivism were not always to be significant predictors of perceived ethical problem. Only relativism was found to be a significant predictor in one of the perceived ethical problem scores. In other words, the degree to which an individual rejects universal moral rules was just somewhat related to the extent of the perception of the existence of ethical problem. Moreover, such relationship was not robust across different situations and was just evident in one of the cases. However, the degree to which an individual assumes that desirable consequences

can be obtained with the right action was completely not related to the extent of the perception of the existence of ethical problem. Moreover, collectivism, a construct that was used in many past cross-cultural studies in ethical decision making, could not explain the variance of the extent of the perception of the existence of ethical problem. No matter the individuals focused on “I” or “We”, such constructs were not very important in affecting ethical problem perception.

However, the above findings should be cautioned with the limitation of small sample size and the positive association of GCI, Social Obligation and KN with one of the perceived ethical problem scores. Moreover, the dependent variable, perceived ethical problem 1, was measured differently in the two samples. The UBCMBA subjects were just required to answer one question but the CUMBA subjects were required to answer three questions. The scores of perceived ethical problem 1 were calculated by the average of the scores of the three questions. In addition, the time required in reading the common case was much higher than the other two cases since the length of the common case was much longer. There was a very high chance that the degrees of commitment of the same subject in three cases were different. Therefore, the findings should not be generalized and further studies are needed.

Ethical Decision Making

Although Hunt and Vitell (1986 & 1993) depicted that “perceived ethical problem” as a catalyst of the ethical decision-making process of marketers, both perceived ethical problem scores were not significant predictors in the respective ethical decision making scores in this study. The subjects in this study may perceive the existence of ethical problem but their choices of action were not affected. In other words, what they perceived may not be equal to what they would act. Such phenomenon may be more

prevalent due to the specific research design of the study. Unlike the subjects in the other studies (e.g. Singhapakdi et al., 1994; Singhapakdi et al., 1996; Vitell et al., 1993) which were given with Likert scales, the subjects in this study were given with two forced choices. The wordings of question may lead to the formation of such inconsistency. However, it may not be appropriate to use such categorical data in multiple regression analyses. Fortunately, there were still significant positive correlations between the respective perceived ethical problem scores and ethical decision making scores. The higher the extent of perceived ethical problem, the chance of making more ethical decision is higher. Such finding was in accordance with the idea of Hunt and Vitell (1986 & 1993).

On the other hand, idealism and relativism were found to be significant predictors in ethical decision making. However, such relationships were again not robust across different situations. Since idealistic individuals assumed that desirable consequences and "right" action could always be obtained, they were at higher chances of making ethical decision. Similarly, relativistic individuals admitted that undesirable consequences would often be mixed in with desired ones and so they were at lower chances of making ethical decision. In addition, both ethical decision making scores were found correlated positively with idealism but negatively with relativism. The findings supported that idealistic individuals were at higher chances of making ethical decision while relativistic individuals were at lower chances of making ethical decision.

Effects of Origin on age, years of residence and full-time work

UBCMBA subjects were significantly higher than CUMBA students in terms of age and years of full-time work but not years of residence. The study intended to recruit part-time CUMBA students since they matched more closely with the UBCMBA students but failed. Since the differences in age and years of full-time working between the two

samples might be key factors that lead to unexpected results, these two demographic variables had been taken into consideration and treated as covariates in ANOVA.

Effects of Origin on Collectivism, Idealism and Relativism

Perceived Ethical Problem and Ethical Decision Making

Since Hong Kong subjects should be more collectivistic, they were expected to place more importance on codes of behaviour (i.e. more idealistic). Similarly, they should be more likely to be less relativistic than their Canadian counterparts. In other words, most CUMBA subjects should be absolutists while most UBCMBA subjects should be subjectivists.

In this study, the UBCMBA subjects were found to be more collectivistic than CUMBA subjects. Hui and Yee (1994) hypothesized a positive correlation between age and collectivism. Actually, the UBCMBA subjects were older than the CUMBA subjects and it was not unreasonable to obtain such result even though both age and years of full-time work were insignificant covariates. If collectivists are more idealistic and less relativistic, UBCMBA subjects should be more idealistic and less relativistic than CUMBA subjects instead. In other words, most UBCMBA subjects should be absolutists while most CUMBA subjects should be subjectivists. Therefore, UBCMBA subjects should also be the most alert to ethical problems and the most ethical in terms of their marketing decision.

However, CUMBA subjects were found to be more idealistic and relativistic than UBCMBA subjects. All situationists in this study were CUMBA subjects. Significant differences in perceived ethical problem and ethical decision making between CUMBA and UBCMBA subjects were not always found. UBCMBA subjects were significantly higher in perceived ethical problem 2 but lower in ethical decision making 1 than CUMBA

subjects. In other words, the robustness of the relations found was again questionable. It could also be concluded that the effects of collectivism on idealism, relativism, perceived ethical problem and ethical decision making were minimal. There might be the existence of other important facilitators or mediators among these constructs.

Effects of Cultural Orientation on Perceived Ethical Problem and Ethical Decision Making

Consistent with the results of multiple regression, all ANOVA results were not significant. Although individualists placed a high importance on the “self”, they were not at lower chances of making ethical decision. By the same corollary, collectivists were not at higher chances of making ethical decision. The findings suggested that the construct of individualism-collectivism was not the determinant factor to account for cross-cultural difference in ethical decision making.

The assumption that Individualism-collectivism was target specific implied that a person might conceivably behave in a collectivist manner toward one and yet not so toward another. However, such target specific assumption did not affect our subjects in ethical decision making. No matter to which target, different levels of GCI, ingroup solidarity and social obligation seemed to be not related to perceived ethical problem or ethical decision making.

Effects of Ethics Position on

Perceived Ethical Problem and Ethical Decision Making

Subjectivists reject moral rules but are not particularly positive about the possibility of achieving positive outcomes for everyone concerned. This position maintains that no moral judgments can be considered valid except in reference to one’s own behavior. Although the subjectivists in this study were not the least alert with the presence of ethical

problem perception, they were significantly “the least ethical” in terms of their marketing decision and most likely to choose low-ethics, high-profit action.

On the other hand, absolutists believe that one should strive to produce positive consequences but at the same time maintain strict adherence to general moral principles. These individuals condemn certain actions because they harm people and violate fundamental moral absolutes. Absolutists should be the most alert to ethical problems and the most ethical in terms of their marketing decision. However, absolutists in this study were not different from situationists in both perceived ethical problem scores and both ethical decision making scores. Due to the use of 5-point Likert scale instead of the original 9-point Likert scale, the distribution of the scores in idealism and relativism was less varied. Such invariability in idealism and relativism may account for the absence of the expected finding.

CHAPTER VII

CONCLUSION

This study was to explore the cross-national nature of marketing ethics decisions. In particular, the study focused on the cognitive components or the psychological factors underlying ethical decision-making processes by comparing MBA students in Hong Kong with MBA students in Vancouver, Canada. However, only relativism was found to be related to perceived ethical problem while idealism and relativism were found to be related to the actual ethical decision making. Idealism was found to act as facilitator in making more ethical decisions whereas relativism was found to act as moderator in being more alert to ethical problem and making more ethical decisions. However, the robustness of the relations was questioned. In this study, it could be concluded that individualism-collectivism was not a determinant factor in ethical decision making process.

Past cross-cultural studies in ethical marketing decision-making just labeled the studied groups as either individualistic or collectivistic and used as independent variable. As demonstrated, there were large variations in Individualism-Collectivism even within an culture. The study showed that it was completely inappropriate to label the studied groups as either individualistic or collectivistic without actual measurement.

Another interesting point found in this study was that perceived ethical problem was not related to ethical decision making. In other words, the extent individuals perceive the existence of ethical problem is not related to the actual ethical decision they made. The study raised out the possibility of what subjects perceived was not in accordance with what they acted in the past ethical decision making studies. The subjects in the past studies were asked to respond to particular action or decision on a Likert scale. The subjects in

this study were simulated into real life situations and were required to make forced-choices. This study questioned the generalizability of perceived ethical problem acting as a catalyst in ethical decision making process.

Due to the hand-over of Hong Kong to China in 1997, many Hong Kong people have emigrated to Vancouver. Conceivably, there will be more business activities between these two places. According to the result of this study, it was discovered that the difference between the two contrasting cultures still existed. However, contrary to common perception, Hong Kong was becoming more individualistic while Vancouver was becoming more collectivistic. Although many people worry that the ethical nature of the business society will worsen after 1997, it was delighted to find out the ethical nature of the young executives in Hong Kong was not too bad, at least in comparison with the subjects in Vancouver.

- END -

Yours sincerely,

Lau Hon-biu, Bill

Dear _____,

Re: Study of Cross-cultural Difference in Marketing Decision Making Process

I am a full-time MBA student who is conducting my MBA Project. You are cordially invited to participate in the above-named study. I would like to recruit MBA students with working experience as the subjects in this study.

This study will investigate several propositions about how managers make marketing decisions. There are no right or wrong answers to the questions. What I want are your honest responses. Please answer all of the questions. Your participation is anonymous and voluntary.

It will take about 20 to 30 minutes to complete the questionnaire. You will receive a short explanation of the nature and purpose of the study upon completion. Please return the **completed questionnaire** in the enclosed envelop to my pigeon hole in MBA Office. I look forward to receiving your completed questionnaire. If you have any question about the study, please do not hesitate to contact me by e-mail (s9512105@mailserv.cuhk.edu.hk). Your help is highly appreciated. Thank you!

Yours sincerely,

Lau Hon-biu, Bill

Not a problem

Neutral

A problem

1 2 3 4 5 6

Q2) Suppose you were Bruce Seth, what would you think? (Please tick ☐)

Continue with the advertising message on the radio & TV screen

Does not continue with the advertising message on the radio & TV screen

(Case 2) Please read the following passage and answer the two related questions.

Jan is the assistant manager of a furniture retailer. She has just returned from leave due to surgery. While Jan was gone, her sales department and purchasing department collaborated to buy an inferior brand of furniture. Their intention is to make this furniture as a high-quality brand, similar to those that your store is known for selling. Jan knows that the store is experiencing pressure to make profits and that the new line of furniture can help you achieve your sales goals. But you also know that inferior-quality products can damage your store's reputation in the long run.

Q1.) Do you think that the situation described above involves an ethical issue or problem? **(Please circle one)**

Not a problem				Neutral					A problem
1	2	3	4	5	6	7			

Q2.) Suppose you were Jan, what would you have done? **(Please tick one)**

- ☐ Take away the inferior merchandise from all the retailers
- ☐ Continue to supply the inferior merchandise to the retailers

(Case 3) Please read the following passage and answer the two related questions.

Greg is employed by XYZ Strategic Marketing Consultants. His firm has just completed a research project in which 2,000 customers of a client organization were polled for their opinions concerning the product quality of your client firm's offerings. Unfortunately, the results are not very favorable to your client's firm and your boss has told you to "massage" the results so that they appear to imply that your client's customers are positive about their marketplace offerings.

Q1.) Do you think that the situation described above involves an ethical issue or problem? **(Please circle one)**

Not a problem				Neutral					A problem
1	2	3	4	5	6	7			

Q2.) Suppose you were Greg, what would you have done? **(Please tick one)**

- ☐ Follow the instructions of the boss and rewrite the report
- ☐ Does not follow the instructions of the boss

Please read each sentence very carefully and indicate your opinion using 0 to 5.

- 0 - Strongly disagree
- 1 - Slightly disagree
- 2 - Tends to disagree
- 3 - Tends to agree
- 4 - Slightly agree
- 5 - Strongly agree

If you strongly disagree, indicate 0 in the space provided.

If you strongly agree, indicate 5 and so on. This is not a test and there are no right or wrong answers. So, just choose the ones which best describe your situations.

- _____ 1. The motto "sharing in both blessing and calamity" still applies even if one's friend is clumsy, dumb, and causes a lot of trouble.
- _____ 2. I would help if a colleague at work told me that he/she needed money to pay utility bills.
- _____ 3. If a colleague lends a helping hand, one needs to return the favor.
- _____ 4. There is everything to gain and nothing to lose for co-worker to group themselves to help each other.
- _____ 5. Colleagues' assistance is indispensable to good performance at work.
- _____ 6. I like to live close to my good friends.
- _____ 7. It is a personal matter whether I worship money or not. Therefore it is not necessary for my friends to give any counsel.
- _____ 8. To go on a trip with friends make one less free and mobile. As a result there is less fun.
- _____ 9. I would not let my parents use my car (if I have one), whether they are good drivers or not.
- _____ 10. I would not let my needy mother use the money that I have saved by living a less than luxurious life.
- _____ 11. I would not share my ideas and newly acquired knowledge with my parents.

- 0 - Strongly disagree
- 1 - Slightly disagree
- 2 - Tends to disagree
- 3 - Tends to agree
- 4 - Slightly agree
- 5 - Strongly agree

- _____ 12. Teenagers should listen to their parents' advice on dating.
- _____ 13. Young people should take into consideration their parents' advice when making education/ career plans.
- _____ 14. Each family has its own problems unique to itself. It does not help to tell relatives about one's problem.
- _____ 15. Whether one spends an income extravagantly or stingily is of no concern to one's relatives (cousins, uncles).
- _____ 16. One need not worry about what the neighbors say about whom one should marry.
- _____ 17. When deciding what kind of education to have, I would pay absolutely no attention to my uncles' advice.
- _____ 18. If possible, I would like co-owning a car with my close friends, so that it wouldn't be necessary for them to spend so much money to buy their own cars.
- _____ 19. I can count on my relatives for help if I find myself in any kind of trouble.
- _____ 20. When deciding what kind of education to have, I would definitely pay attention to the views of relatives of my generation.
- _____ 21. I am often influenced by the moods of my neighbors.
- _____ 22. My neighbors always tell me interesting stories that have happened around them.

- 0 - Strongly disagree
 1 - Slightly disagree
 2 - Tends to disagree
 3 - Tends to agree
 4 - Slightly agree
 5 - Strongly agree

- _____ 23. Even if the child won the Nobel prize, the parents should not feel honored in any way.
- _____ 24. Children should not feel honored even if the father were highly praised and given an award by a government official for his contribution and service to the community.
- _____ 25. In these days parents are too stringent with their kids, stunting the development of initiative.
- _____ 26. The decision of where one is to work should be jointly made with one's spouse, if one is married.
- _____ 27. If a husband is a sports fan, a wife should also cultivate an interest in sports. If the husband is a stock broker, the wife should also be aware of the current market situation.
- _____ 28. I don't really know how to befriend my neighbors.
- _____ 29. My neighbors have never borrowed anything from me or my family.
- _____ 30. I am not interested in knowing what my neighbors are really like.
- _____ 31. I have never chatted with my neighbors about the political future of this state.
- _____ 32. One needs to be cautious when talking with neighbors, otherwise others might think you are nosy.
- _____ 33. I enjoy meeting and talking to my neighbors every day.

Instructions. You will find a series of general statements listed below. Each represents a commonly held opinion and there are no right or wrong answers. You will probably disagree with some items and agree with others. We are interested in the extent to which you agree or disagree with such matters of opinion.

Please read each statement carefully. Then indicate the extent to which you agree or disagree by placing in front of the statement the number corresponding to your feelings, where:

- 1 = Strongly disagree
 2 = Slightly disagree
 3 = Neither agree nor disagree
 4 = Slightly agree
 5 = Strongly agree

- _____ 1. A person should make certain that their actions never intentionally harm another even to a small degree.
- _____ 2. Risks to another should never be tolerated, irrespective of how small the risks might be.
- _____ 3. The existence of potential harm to others is always wrong, irrespective of the benefits to be gained.
- _____ 4. One should never psychologically or physically harm another person.
- _____ 5. One should not perform an action which might in any way threaten the dignity and welfare of another individual.
- _____ 6. If an action could harm an innocent other, then it should not be done.
- _____ 7. Deciding whether or not to perform an act by balancing the positive consequences of the act against the negative consequences of the act is immoral.
- _____ 8. The dignity and welfare of people should be the most important concern in any society.
- _____ 9. It is never necessary to sacrifice the welfare of others.

- 1 = Strongly disagree
 2 = Slightly disagree
 3 = Neither agree nor disagree
 4 = Slightly agree
 5 = Strongly agree

- _____ 10. Moral actions are those which closely match ideals of the most "perfect" action.
- _____ 11. There are no ethical principles that are so important that they should be a part of any code of ethics.
- _____ 12. What is ethical varies from one situation and society to another.
- _____ 13. Moral standards should be seen as being individualistic; what one person considers to be moral may be judged to be immoral by another person.
- _____ 14. Different types of moralities cannot be compared as "rightness".
- _____ 15. Questions of what is ethical for everyone can never be resolved since what is moral or immoral is up to the individual.
- _____ 16. Moral standards are simply personal rules which indicate how a person should behave, and are not to be applied in making judgments of others.
- _____ 17. Ethical considerations in interpersonal relations are so complex that individuals should be allowed to formulate their own individual codes.
- _____ 18. Rigidly codifying an ethical position that prevents certain types of actions should stand in the way of better human relations and adjustment.
- _____ 19. No rule concerning lying can be formulated; whether a lie is permissible or not permissible totally depends upon the situations.
- _____ 20. Whether a lie is judged to be moral or immoral depends upon the circumstances surrounding the action.

Demographic Information

Sex: M / F (please circle one)

Age: _____ (please round up to nearest year)

Marital Status: Single / Married / Others: _____ (please circle one)

No. of years of Full-time working experience: _____

No. of years of residence : _____

Please read the following only after you have Completed the Study

Purpose of the study

This study is designed to study the relationship between personality and marketing decision making process. The case is used to induce people to choose between the short-term benefit of oneself and the long-term benefits of the company. The personality variables we studied in this study are Idealism-Relativism and Individualism-Collectivism. Past research showed that people who are high on Idealism and Collectivism are more long-term oriented. Despite this interesting finding, however, more research is needed before we can draw a conclusion on this subject. This study is also the first one to detect the cross-cultural difference between the North America Caucasian and Hong Kong Chinese in marketing decision making process.

Since we may ask other students to participate in this study, please do not mention anything about this study to other students. Your cooperation will be highly appreciated.

Feedback

Feedback from those who participated in behavioral studies helps researchers to better explain the results and improve their design. Since this is only the first study of a research programme, we would like to know your feelings and thoughts when you worked through the questionnaire. Your criticism and suggestions are welcomed.

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